



Entergy

Entergy Arkansas  
425 West Capitol Avenue  
P.O. Box 551  
Little Rock, AR 72203  
Tel 501 377 4000

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October 18, 2002

TN REGULATORY AUTHORITY  
DOCKET ROOM

Ms. Sara Kyle, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: Tennessee Regulatory Authority (TRA) Docket No. 01-00830  
Entergy Arkansas, Inc. Request for Approval to Enter Into Certain  
Financing Transactions During the Years 2002 Through 2003

Dear Ms. Kyle:

Pursuant to the approving Order issued December 11, 2001, in TRA Docket No. 01-00830, please find attached for filing with the TRA the original and thirteen copies of Entergy Arkansas, Inc.'s compliance financing report filed with the Arkansas Public Service Commission in APSC Reporting Docket No. 86-033-A and APSC Docket No. 01-221-U on April 19, 2002.

If you have any questions or need additional information, please do not hesitate to call me at (501) 377-4457 or Mr. Will Morgan at (501) 377-5489.

Sincerely,

William R. Morgan  
Manager, Regulatory Affairs

WM/tj  
Attachments

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OCT 21 2002

SARA KYLE, COMMISSIONER  
TN PUBLIC SERVICE COMM.

**TENNESSEE REGULATORY AUTHORITY (TRA)**

**DOCKET NO. 01-00830**

**ENTERGY ARKANSAS, INC. REQUEST FOR APPROVAL  
TO ENTER INTO CERTAIN FINANCING TRANSACTIONS  
DURING THE YEARS 2002 THROUGH 2003**

**ATTACHMENT**

**FINANCE REPORTING DOCUMENTS FILED WITH THE  
ARKANSAS PUBLIC SERVICE COMMISSION  
ON APRIL 19, 2002  
IN REPORTING DOCKET NO. 86-033-A AND  
ORIGINATING DOCKET NO. 01-221-U**



ARK PUBLIC SERV. COMM.  
DIANA K. WILSON  
SECRETARY OF COMM.

APR 19 11 51 AM '02

Entergy Arkansas, Inc.  
425 West Capitol Avenue  
P.O. Box 551  
Little Rock, AR 72203-0551  
Tel 501 377 4457  
Fax 501 377 4415

FILED

Steven K. Strickland  
Vice President  
Regulatory Affairs

April 19, 2002

Ms. Diana Wilson, Secretary  
Arkansas Public Service Commission  
P. O. Box 400  
1000 Center Street  
Little Rock, AR 72203-0400

Re: Originating Docket: 01-221-U  
Report Docket: 86-033-A  
Pursuant to Order No. 2  
In the Matter of the Application of Entergy Arkansas, Inc.  
for Authorization to Enter Into Certain Financing  
Transactions During the Years 2002 Through 2003

Dear Ms. Wilson:

Please find attached the original and thirteen copies of Entergy Arkansas, Inc.'s report to the Commission in the above-styled proceedings. This report is required under Order No. 2 in Docket No. 01-221-U.

Please file this letter and the attached report in the appropriate docket.

Sincerely,

SS/tj  
Attachments

**ENTERGY ARKANSAS, INC.**

**ISSUANCE OF FIRST MORTGAGE BONDS:  
\$100,000,000 6.70% SERIES DUE APRIL 1, 2032**

**EXECUTIVE SUMMARY**

TRANSACTION ANALYSIS AND RESULTS

On Thursday, March 28, 2002, Entergy Arkansas, Inc. ("EAI"), issued \$100,000,000 aggregate principal amount of First Mortgage Bonds at an interest rate of 6.70%. A portion of the net proceeds were used to satisfy the annual replacement fund requirement under the mortgage by redeeming at par \$85 million principal amount of First Mortgage Bonds, 8.75% Series due March 1, 2026. The balance of the net proceeds was used to replace a portion of the cash that EAI used to meet the maturity of \$85 million principal amount of First Mortgage Bonds, 7% Series due March 1, 2002. EAI obtained bond insurance through Ambac Assurance Corporation, in order to give the bonds a AAA rating and to obtain more favorable pricing (EAI's senior secured rating is BBB+). EAI issued the bonds in the retail market using a thirty-year maturity and a non-call 5 year provision.

The net proceeds from the issuance were \$96,850,000 after deducting underwriting expenses. The initial insurance premium covering a period of 5 years was \$1,836,393. Additional expenses are estimated to be approximately \$100,000. Actual expenses will not be known for several months subsequent to closing.

SUMMARY OF TERMS

Principal Amount:

\$100,000,000

Maturity Date:

4/1/2032

Optional Call Provisions:

Non-call until 4/1/07, then callable at par

Mandatory Call Provisions:

Upon certain reorganization events,

but not before April 1, 2007, at par

Morgan Stanley (Co-Lead)

Salomon Smith Barney (Co-Lead)

Merrill Lynch & Co, Stephens Inc.,

Wachovia Securities

30 Year Treasury Yield @ Pricing:

5.80%

Spread to Treasury:

0.90%

Yield to Public:

6.70%

Coupon Rate:

6.70%

SUMMARY OF TERMS (CONTINUED)

<u>Price to Public:</u>	100.00 %
<u>Underwriters' Compensation:</u>	3.15%
<u>Price to Company:</u>	96.85 %
<u>Proceeds to Company:</u>	\$96,850,000

JOURNAL ENTRIES

Exhibit A shows journal entries related to the issuance of the new series of First Mortgage Bonds.

ENTERGY ARKANSAS, INC.  
ENTRIES TO RECORD THE ISSUANCE OF  
\$100,000,000 REVENUE REFUNDING BONDS

Entry No. 1

Cash		
Unamortized Debt Expense – FMB (Underwriting Fee)	\$96,850,000	
Long Term Debt – First Mortgage Bonds	\$3,150,000	
		\$100,000,000

To record the sale of \$100,000,000 principal amount of 6.70% Entergy Arkansas, Inc. First Mortgage Bonds, due April 1, 2032, and the related underwriting fee.

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Entry No. 2

Unamortized Debt Expense – FMB		
Cash	\$1,836,393	
		\$1,836,393

To record the insurance premium in connection with the issuance of \$100,000,000 principal amount of 6.70% Entergy Arkansas, Inc. First Mortgage Bonds, due April 1, 2032.

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Entry No. 3

Unamortized Debt Expense – FMB		
Cash	\$*	
		\$*

To record expenses in connection with the issuance of \$100,000,000 principal amount of 6.70% Entergy Arkansas, Inc. First Mortgage Bonds, due April 1, 2032. (\*Total expenses are estimated to be approximately \$100,000. Actual expenses will not be known for several months subsequent to closing.)

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ENTERGY ARKANSAS, INC.

17th I, Nathan E. Langston, Vice President and Chief Accounting Officer, attest on this day of April, 2002, that the journal entries attached as Exhibit A correctly reflect the effect of the sale on March 28, 2002 of \$100,000,000, 6.70% Entergy Arkansas, Inc. First Mortgage Bonds due April 1, 2032.

Nathan E. Langston  
Nathan E. Langston  
Senior Vice President and Chief Accounting Officer